# *Project Baseline Summary Report*

Data Source: **EM CDB** Report Number: **GEN-01b**

Operations/Field Office: **Rocky Flats** Print Date: **3/9/2000**

Site Summary Level: **Rocky Flats Environmental Technology Site** HQ ID: **0065**

Project **RF034 / Management Project**

## General Project Information

### Project Description Narratives

**Purpose, Scope, and Technical Approach:**

Purpose: Support the Rocky Flats Closure Project by managing and providing necessary and sufficient executive management, financial and administrative functions. The successful completion of Rocky Flats Closure Project requires the professional and prudent control of executive management, financial and administrative functions. The executive management, financial and administrative activities must be controlled in a manner that focuses project resources on direct closure activities and minimizes the impact of non-direct activities.

Scope: The Scope of the Management Project is to provide necessary and sufficient executive management, financial and administration functions in support of the Rocky Flats Closure Project in the following programmatic areas for the Integrating Management Contractor and its Major Subcontractors:

- Executive Management
- Financial Management
- Procurement and Contract Administration
- Human Resources, Communication and Training
- Legal Counsel and Internal Audit
- Information Resource and Technology Management
- Corporate Allocation and Base Fee
- Risk Management
- Business Process Improvement

Technical Approach: The technical strategy for this PBS includes driving the costs as low as possible for financial and administrative support by implementing the following changes in support of accelerated closure:

Eventual conversion to parent organization all K-H Team business systems, other computer systems, and network systems:
- Eliminate dedicated business staffs and computer systems, transferring key staff members to parent companies, utilizing existing resources (people and business systems) at parent organizations, and structuring contracts and processes to match as closely as possible the routine business at the parent organizations and systems.
- "Run to failure" the current K-H databases, including the PeopleSoft financial system, eliminating software upgrade requirements.

Implement wireless communication systems:
- "Run to failure" the current radio and telephone systems; convert to cellular system.

**Project Status in FY 2006:**

All work scope will be complete with the exception of required lease labor overhead, legal support, internal audits, financial services, human resources, communication services, information resource management activities, etc, required to support ongoing work.

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## Project Description Narratives

**Post-2006 Project Scope:**

Post 2006 scope will consist of providing required lease labor overhead, legal support, internal audits, financial services, human resources, communication services, information resource management activities, etc, required to support ongoing work.

**Project End State**

The End State for the Management Project results when the necessary and sufficient executive management, financial and administrative obligations have been satisfied to permit the completion of the Rocky Flats Closure Project. This includes, but is not limited to, close-out of the Integrated Management Contract and all other subcontracts, termination of RFETS telecommunications and computer services, and transfer of all risk management liabilities to the customer, including worker's compensation.

**Cost Baseline Comments:**

Cost estimates are based on assumptions and data developed by the technical groups that have responsibility for managing the work. To the extent practical, all cost estimates are Activity-Based Costs (ABC) and tied directly to a defined and detailed work scope. The estimates are developed at the activity level and are further divided into line items. Line items represent individual resource contributions to activities and are the lowest level of input to the planning system. Once the cost estimate is developed,
each activity is evaluated for cost, technical and schedule risk and the appropriate contingency is determined. Detailed estimates and the basis of estimates (BOEs) for the 2006 Closure Plan are available at the Site.

**Safety & Health Hazards:**

The Site has a complex matrix of known and potential hazards including radiological, residual chemicals, beryllium, asbestos, and normal industrial. The hazards can be described from an overview of large quantities of plutonium (Pu) and enriched uranium that are not in a condition for long-term storage (e.g., hazard to the environment and public), to a specific work activity such as removing asbestos-wrapped piping that contains Pu in an acid solution into containers in a highly contaminated room (e.g., hazard to workers).

Hazard identification becomes more detailed and specific as the planning becomes closer to an actual work activity. At the top level, the hazards for a Pu building are identified and consequences analyzed as part of safety basis documentation. These hazards, such as a radiological release from a fire or earthquake, primarily have an impact on the public and environment. The next level of hazard identification is related those associated with processing or packaging radiological materials. While significant, these hazards are generally in a controlled environment inside glove boxes and radiologically controlled rooms. Once the significant quantities of radiological materials have been removed the next level is a building characterization to identify potential hazards during equipment, piping, and glove box removal. These hazards are then incorporated into the specific work activities through the Integrated Work Control Process (IWCP). The hazards in these work activities must also consider co-located workers, other activities being performed at the same time, and industrial hazards such as electrical, lifting, and cutting. The planning in many cases on this Site has to assume that a potential hazard exists until proven otherwise.

This PBD, being primarily administrative in nature, may face the following hazards:
1. Fire in the building and/or surrounding environment.
2. Radiological or chemical release into the surrounding environment.

## Project Description Narratives

3. Hazards identified by the other PBDs that impact the personnel of this PBD when these personnel enter the work area of the other PBDs.
4. Repetitive motion injuries and Carpal Tunnel Syndrome (CTS).

**Safety & Health Work Performance:**

Kaiser-Hill performs on-going work performance evaluation to determine whether there is a safer or better way to perform the work. This effort is lead by the workers and supervisors with the direct support of management using the five ISM functions (Define the Scope of Work, Identify and Analyze the Hazards, Identify and Implement Controls, Perform Work Within Controls, and Provide Feedback) and seven core principles of the Integrated Safety Management System (ISMS).

ISM training has been taken by the Management Team of this PBD, which includes the Executive Management Teams of Kaiser-Hill and each of the Major Subcontractors. These Teams solidly support the ISM Functions and Principles. Under the leadership of the Executive Teams ISM is implemented.

**PBS Comments:**

**Baseline Validation Narrative:**

Although the 2006 Closure Plan has not been officially validated, it has undergone a high level review by Rocky Flats Field Office (RFFO) and Headquarter personnel. Current independent validation efforts include the following: 1) RFFO has contracted an independent firm to perform a baseline confidence review of the 2006 Closure Plan by the end of FY99, and 2) the Office of Field Management (FM) has contracted a big-five accounting firm to validate the 2006 Closure Plan.

In addition to the 2006 Closure Plan validation efforts, results/recommendations from several previous baseline validation efforts were used in the development of the 2006 Closure Plan. These validations included: 1) The U.S. Army Corps of Engineers (USACE) performed a validation of the Rocky Flats Ten Year Plan in FY97/FY98, 2) Kaiser-Hill contracted Price Waterhouse Coopers, LLP to conduct and independent validation effort of the 2010 Closure Project Baseline that concluded in May of FY99, and 3) Kaiser-Hill engaged Arthur Andersen, LLP to conduct a schedule and cost risk review of the 2010 Closure Project Baseline.

## General PBS Information

| | |
|---|---|
| **Project Validated?** | **Date Validated:** |
| **Has Headquarters reviewed and approved project?** | No |
| **Date Project was Added:** | |
| **Baseline Submission Date:** | |
| **FEDPLAN Project?** | Yes |

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## General PBS Information

| Drivers: | CERCLA | RCRA | DNFSB | AEA | UMTRCA | State | DOE Orders | Other |
|---|---|---|---|---|---|---|---|---|
| | Y | Y | Y | N | N | Y | Y | Y |

## Project Identification Information

**DOE Project Manager:** Jessie Roberson

**DOE Project Manager Phone Number:** 303-966-2263

**DOE Project Manager Fax Number:** 303-966-4775

**DOE Project Manager e-mail address:** ten.year.plan@rfets.gov

**Is this a High Visibility Project (Y/N):**

## Planning Section

### Baseline Costs (in thousands of dollars)

| | 1997-2006 Total | 2007-2070 Total | 1997-2070 Total | 1997 | Actual 1997 | 1998 | Actual 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PBS Baseline (current year dollars) | 655,886 | 3,340 | 659,226 | | | 95,615 | 95,615 | 95,670 | 85,360 | 94,780 | 85,490 | 67,743 | 55,444 | 43,188 | 32,596 |
| PBS Baseline (constant 1999 dollars) | 622,219 | 2,812 | 625,031 | | | 95,615 | 95,615 | 95,670 | 83,116 | 90,390 | 79,853 | 61,975 | 49,680 | 37,902 | 28,018 |
| PBS EM Baseline (current year dollars) | 655,886 | 3,340 | 659,226 | | | 95,615 | 95,615 | 95,670 | 85,360 | 94,780 | 85,490 | 67,743 | 55,444 | 43,188 | 32,596 |
| PBS EM Baseline (constant 1999 dollars) | 622,219 | 2,812 | 625,031 | | | 95,615 | 95,615 | 95,670 | 83,116 | 90,390 | 79,853 | 61,975 | 49,680 | 37,902 | 28,018 |

| | 2007 | 2008 | 2009 | 2010 | 2011-2015 | 2016-2020 | 2021-2025 | 2026-2030 | 2031-2035 | 2036-2040 | 2041-2045 | 2046-2050 | 2051-2055 | 2056-2060 | 2061-2065 | 2066-2070 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PBS Baseline (current year dollars) | 3,340 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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| | 2007 | 2008 | 2009 | 2010 | 2011-2015 | 2016-2020 | 2021-2025 | 2026-2030 | 2031-2035 | 2036-2040 | 2041-2045 | 2046-2050 | 2051-2055 | 2056-2060 | 2061-2065 | 2066-2070 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PBS Baseline (constant 1999 dollars) | 2,812 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PBS EM Baseline (current year dollars) | 3,340 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PBS EM Baseline (constant 1999 dollars) | 2,812 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

## Baseline Escalation Rates

| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 0.00% | 0.00% | 2.70% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% |

| 2010 | 2011-2015 | 2016-2020 | 2021-2025 | 2026-2030 | 2031-2035 | 2036-2040 | 2041-2045 | 2046-2050 | 2051-2055 | 2056-2060 | 2061-2065 | 2066-2070 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% | 2.10% |

## Project Reconciliation

### Project Completion Date Changes:

**Previously Projected End Date of Project:**

**Current Projected End Date of Project:** 12/28/2006

**Explanation of Project Completion Date Difference (if applicable):**

Scope Deletion

Efficiencies

New Scope

This is a new PBS from the previous submittal.

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## Project Reconciliation

Y2K Compliance activities. This scope ensured that the site computer hardware(process controllers) and software are compliant with the year 2000 calendar. The magnitude of this issue spans the entire site (medical, building services, security systems, etc.).

Cost Growth

Science & Technology

Other

The scope of work and end state conditions for the 2006 Plan are similar to the current 2010 Baseline, with a four-year acceleration and a reduction in cost being the two most significant differences. The bottom-up estimate for the 2006 Plan is a $1.65 billion improvement over the comparable activity-based bottoms-up detail estimate for 2010.

To close the Site four years earlier than the current 2010 Baseline requires a strategically different approach. The two key principles followed in preparing the 2006 Baseline were: 1) safely reducing the urgent risks first, and 2) performing work in a sequence that reduces or eliminates operations, maintenance and security costs (often referred to as - mortgage costs) as early as possible. Key to the 2006 Baseline approach is early closure of the secured Protected Area. Closing the Protected Area as soon as possible means that the high security and maintenance costs for this area can be redeployed to accelerate other closure activities. In addition, D&D and SNM risk reduction activities will be performed simultaneously rather than sequentially, supporting both the risk reduction and mortgage reduction principles. The D&D of non- and lower-contaminated facilities and most environmental remediation work will be deferred until later in the project to allow resources to be focused in the areas that result in the greatest reduction in risks and mortgage costs.

## Project Cost Estimates (in thousands of dollars)

| | | | | |
|---|---|---|---|---|
| **Previously Estimated Lifecycle Cost (1997 - 2070, 1998 Dollars):** | | **Actual 1997 Cost:** | **Actual 1998 Cost:** | 95,615 |
| **Previously Estimated Lifecycle Cost of Project (1999 - 2070, 1998 Dollars):** | -95,615 | **Inflation Adjustment (2.7% to convert 1998 to 1999 dollars):** | | -2,582 |
| **Previously Estimated Lifecycle Cost (1999 - 2070, 1999 Dollars):** | -98,197 | | | |

## Project Cost Changes

| | Cost Adjustments | Reconciliation Narratives |
|---|---|---|
| **Cost Change Due to Scope Deletions (-):** | | |
| **Cost Reductions Due to Efficiencies (-):** | | |
| **Cost Associated with New Scope (+):** | 98,197 | Rebaselining due to acceleration. New scope dollar estimate is not of audit quality. |
| **Cost Growth Associated with Scope Previously Reported (+):** | | |
| **Cost Reductions Due to Science & Technology Efficiencies (-):** | | |

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## Project Reconciliation

| | |
|---|---|
| **Subtotal:** | 0 |
| **Additional Amount to Reconcile (+):** | 529,416 |
| **Current Estimated Lifecycle Cost (1999 - 2070, 1999 Dollars):** | **529,416** |

## Milestones

| Milestone/Activity | Field Milestone Code | Original Date | Baseline Date | Legal Date | Forecast Date | Actual Date | EA | DNFSB | Mgmt. Commit. | Key Decision | Intersite |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Complete PBD 034 - Management Project | RF-OTHE-34 | | 12/28/2006 | | 12/28/2006 | | | | | Y | |
| PBD 034 Project Start | | | 4/1/1998 | | | | | | | | |

## Milestones - Part II

| Milestone/Activity | Field Milestone Code | Critical Decision | Critial Closure Path | Project Start | Project End | Mission Complete | Tech Risk | Work Scope Risk | Intersite Risk | Cancelled | Milestone Description |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Complete PBD 034 - Management Project | RF-OTHE-34 | | | | Y | Y | | | | | Rocky Flats Field Office ( RFFOs / CPMs ) Milestones |
| PBD 034 Project Start | | | | Y | | | | | | | PBD 034 Project Start |